

DOCKET FILE COPY ORIGINAL

RECEIVED

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

JUL - 6 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	
Performance Measurements and)	CC Docket No. 98-56
Reporting Requirements)	RM-9101
for Operations Support Systems,)	
Interconnection, and Operator Services)	
and Directory Assistance)	

REPLY COMMENTS OF WORLDCOM, INC.

July 6, 1998

Catherine R. Sloan
Richard L. Fruchterman
Richard S. Whitt
WorldCom, Inc.
1120 Connecticut Ave., N.W.
Suite 400
Washington, D.C. 20036

No. of Copies rec'd 046
List A B C D E

TABLE OF CONTENTS

I.	INTRODUCTION AND SUMMARY	1
II.	THE COMMISSION SHOULD ADOPT NATIONAL RULES RATHER THAN MODEL RULES THAT STATES MAY CHOOSE TO ADOPT	3
III.	PERFORMANCE MEASUREMENT AND REPORTING WILL NOT BE OVERLY BURDENSOME FOR THE ILECS	6
IV.	DISAGGREGATION OF MEASUREMENTS AND REPORTS	8
	A. Performance Should be Measured on a Market-by-Market Basis	8
	B. Greater Disaggregation of Service Categories is Necessary	9
V.	PERFORMANCE MEASUREMENTS	9
	A. Several Additional Measurements are Necessary	9
	B. Interconnection Measurements	10
VI.	OTHER ISSUES	12
	A. Technical Standards	12
	B. Enforcement Mechanisms	12
VII.	CONCLUSION	13

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Performance Measurements and)	CC Docket No. 98-56
Reporting Requirements)	RM-9101
for Operations Support Systems,)	
Interconnection, and Operator Services)	
and Directory Assistance)	

REPLY COMMENTS OF WORLDCOM, INC.

Pursuant to the Notice of Proposed Rulemaking¹ in the above-captioned proceeding, released on April 17, 1998, WorldCom, Inc. ("WorldCom"), by its attorneys, respectfully submits the following comments in reply to the initial comments filed in this proceeding on June 1, 1998.

I. INTRODUCTION AND SUMMARY

WorldCom reiterates its request that the Commission adopt national rules requiring incumbent local exchange carriers ("ILECs") to measure and report their performance in the provision of interconnection, unbundled network elements ("UNEs"), resale, collocation, operator assistance and directory assistance. The Telecommunications Act of 1996 requires that these be provided by ILECs to requesting carriers in a nondiscriminatory manner; only

¹ Notice of Proposed Rulemaking, In the Matter of Performance Measurements and Reporting Requirements for Operations Support Systems, Interconnection, and Operator Service and Directory Assistance, CC Docket No. 98-56, RM-9101, released April 17, 1998 ("Notice").

Reply Comments of WorldCom, Inc.
July 6, 1998

with performance measurements and reports will competitors and regulators be able to determine whether the ILECs are fulfilling their statutory obligation. WorldCom remains concerned that the Commission's proposal to adopt guidelines or model rules for performance measurement and reporting that state commissions can incorporate into their own rules will impose significant costs on the industry and delay the fruits of competition to the American consumer.

WorldCom does not believe that performance measurement and reporting will be overly burdensome for the ILECs. Based on the forecast costs of complying with the Commission's proposed measurements supplied by several ILECs, the costs appear relatively small compared to the benefits the measurements will bring.

WorldCom continues to believe that ILEC performance should be measured on a market-by-market basis in order to avoid the averaging effect of larger areas. Similarly, WorldCom believes that greater disaggregation of ILEC service categories is also necessary.

After reviewing the comments, WorldCom agrees with MCI that several additional measurements are necessary in the Commission's rules. WorldCom also believes that the measurements for interconnection must be closely examined. The Commission should require the ILECs to measure the blockage on ILEC end office to end office trunks in addition to the blockage on interconnection and common trunks. Further, WorldCom agrees with Ameritech that call completion rates can help to provide a more complete picture of the network. WorldCom urges the Commission to require ILECs to measure call completion rates in addition to measuring trunk blockage.

WorldCom notes that SBC agrees with its view that the Commission should require ILECs to adopt ATIS technical standards within a time period set by ATIS or within six months.

WorldCom also urges the Commission to adopt enforcement mechanisms to help force the ILECs to provide nondiscriminatory interconnection, collocation and access to UNEs and OSS. Only with strong enforcement from the Commission (and the various state commissions) can the promise of the 1996 Act be fulfilled.

II. THE COMMISSION SHOULD ADOPT NATIONAL RULES RATHER THAN MODEL RULES THAT STATES MAY CHOOSE TO ADOPT

In its initial comments, WorldCom urged the Commission to adopt national rules for performance measurement rather than model rules that state commissions may, or may not, choose to adopt. WorldCom expressed concern that the Commission's proposed approach would impose significant costs on the industry due to lack of uniformity if variations of the rules are adopted by different states. WorldCom also expressed its concern that having to pursue performance measurements in every state jurisdiction would impose a substantial regulatory burden on the industry, particularly upon new entrants, and noted that those burdens may be multiplied if it later becomes necessary to add or delete measurements on a state by state basis.² Most new entrants agree with WorldCom that local competition would be better served if the Commission would adopt national rules governing the measurement

² WorldCom Comments at 3.

Reply Comments of WorldCom, Inc.
July 6, 1998

and reporting of ILEC performance in the provision of interconnection, unbundled network elements, wholesale services, collocation, and OSS generally.³

Of the largest ILECs, only Sprint supports the adoption of national rules for the performance measurements. Nevertheless, WorldCom is encouraged by the fact that Bell Atlantic and GTE appear to embrace the Commission's model rule approach⁴ and that Ameritech and SBC at least support the measurement and reporting of ILEC performance.⁵

Ameritech and BellSouth assert that the current rulemaking, including the adoption of model rules, is beyond the Commission's jurisdiction.⁶ WorldCom, however, believes that the jurisdiction analyses put forward by AT&T, CompTel and LCI is substantially more compelling.⁷ WorldCom concurs with AT&T that "there is no legitimate question that the Commission has the authority to issue binding national OSS rules."⁸

Several ILECs, in arguing against the adoption of national rules, suggest that performance measurements are best developed by state commissions rather than by the Commission because the state commissions are in a better position to tailor the measurements

³ AT&T Comments at 8, CompTel Comments at 3, LCI Comments at 2, MCI Comments at 4, Sprint Comments at 3.

⁴ Bell Atlantic at 2, GTE Comments at 2.

⁵ Ameritech Comments at 14, SBC Comments at i.

⁶ Ameritech Comments at 6, BellSouth Comments at 2.

⁷ AT&T Comments at 8, CompTel Comments at 10, LCI Comments at 7.

⁸ AT&T Comments at 8.

Reply Comments of WorldCom, Inc.
July 6, 1998

to the systems of the ILEC in that state.⁹ WorldCom believes, however, that reliance on state commissions will result in a lack of uniformity in performance measurement rules that will inflict additional costs on the entire industry. Further, to the extent that an ILEC has a unique situation, the Commission's waiver process can be utilized to tailor a measurement rule that fits that ILEC's situation. The adoption of national rules by the Commission will not reduce flexibility to adjust those rules in special circumstances and will, at the same time, promote needed uniformity.¹⁰

WorldCom strongly urges the Commission to adopt national performance measurement rules. If the Commission ultimately decides to go forward with its model rules proposal, WorldCom urges the Commission to give due consideration to the proposal by the General Services Commission that the Commission adopt rules which will apply in any state where the state commission does not state rules for performance measurement within one year of the Commission's order in this proceeding.¹¹ This would encourage the state commissions to move forward rapidly in this area and would help to push the ILECs to develop performance measurement and reporting on their own.

⁹ GTE Comments at 2, Ameritech at 9.

¹⁰ WorldCom notes that many ILECs provide service in a number of states. Under the model rule approach, an ILEC with a unique situation will most likely have to persuade multiple state jurisdictions to account for the situation in their rules. If the Commission adopts national performance measurement rules, the ILEC will only have to persuade the Commission to grant it a waiver that will apply across all of the ILEC's service territories. The regulatory burden for the entire industry will be reduced.

¹¹ GSA Comments at 3.

III. PERFORMANCE MEASUREMENT AND REPORTING WILL NOT BE OVERLY BURDENSOME FOR THE ILECS

In an effort to escape some of the measurement and reporting that the Commission has proposed, several of the ILECs complain that various aspects of the Commission's proposed measurements will be overly burdensome and costly for the ILECs to implement.¹² In addition, BellSouth argues that the only evidence that performance measurements are necessary is "anecdotal" and points to the number of local competitors in its region as an indication that local competition is thriving without performance measurements.¹³

WorldCom agrees with ALTS observation that "[o]nly monopolists enjoy the luxury of remaining ignorant about how their business processes affect customer service."¹⁴ The provision of wholesale services whether in the form of interconnection, UNEs, resold services, or collocation represents a new business market for the ILECs. Their customers, the CLECs, are paying substantial amounts of money for the ILECs offerings. In a competitive market, performance measurements would be the norm because customer's would demand such information -- if a provider did not comply, the customer could take its business elsewhere. Unfortunately, in the local exchange marketplace there is nowhere else to go. The ILECs' protestations are a vivid demonstration that the ILECs do not perceive

¹² Bell Atlantic Comments at 2, Ameritech at 16.

¹³ BellSouth Comments at 6.

¹⁴ ALTS Comments at 3.

Reply Comments of WorldCom, Inc.
July 6, 1998

CLECs as valued customers at all but rather consider them only as competitors to be barely tolerated.

For example, Bell Atlantic complains that the Commission's performance measurements would cause it to incur \$3.5 million in development costs.¹⁵ Similarly, Ameritech estimates that the Commission's proposals will cost it approximately \$1.25 million per year and \$1 million in one time developmental costs.¹⁶ Given the revenue that the ILECs are earning from the CLECs, these additional costs are minimal. Ameritech acknowledges that its annual cost for all performance measurements is already \$20 million, including \$1.25 million for measurement of wholesale services.¹⁷ An additional \$3.5 or \$1.25 million based on the Commission's proposed rules is not overly burdensome, particularly when the ILECs measure their earnings in billions of dollars.

Further, when BellSouth's contends that the large number of competitors in its region indicates that performance measurements are unnecessary, BellSouth is confusing quantity with quality. Yes, there may be a large number of entities attempting to compete with BellSouth in its region, but the absence of interconnection, UNEs, resale, collocation and OSS obtained from BellSouth in a timely, efficient and nondiscriminatory manner limits their ability to compete successfully. The performance measurements proposed by the

¹⁵ Bell Atlantic at 2.

¹⁶ Ameritech at 16.

¹⁷ Id.

Reply Comments of WorldCom, Inc.
July 6, 1998

Commission will help to ensure that those competitors have a reasonable opportunity to compete with BellSouth.

WorldCom agrees that the Commission should weigh the costs of its proposals against the benefits. WorldCom believes that the benefits of performance measurements to local competition can be extremely high while even the ILECs' numbers indicate that the costs will be relatively low.

IV. DISAGGREGATION OF MEASUREMENTS AND REPORTS

A. Performance Should be Measured on a Market-by-Market Basis

In its initial comments, WorldCom explained that performance should be measured on a market-by-market basis to prevent the distortion that would result from the inclusion of areas where the ILECs do not face competition.¹⁸ Most new entrants agree with this or a similar approach¹⁹ while most ILECs appear to support statewide reporting.²⁰ WorldCom agrees with ALTS that at the outset the data should be marked at the smallest possible geographic unit that can be aggregated to larger areas as necessary.²¹

¹⁸ WorldCom Comments at 10.

¹⁹ ALTS Comments at 6, TCG Comments at 18.

²⁰ See, e.g., Ameritech Comments at 18.

²¹ ALTS Comments at 6.

B. Greater Disaggregation of Service Categories is Necessary

WorldCom agrees with AT&T, MCI, and ALTS that further disaggregation of the ILEC products is necessary to provide meaningful measurements and reports. AT&T points out, for example, that "the Commission must assure itself that the Business POTS category does not reflect an amalgamation of dissimilar services" and that the "UNE loop category is subdivided into the major types of loops (8db analog, 2-wire digital, 4-wire digital, ADSL, and HDSL.)"²² MCI is correctly concerned that "resold ISDN, Centrex, and PBX are aggregated together as 'resold specials'" even though they may have different provisioning and maintenance intervals.²³ Similarly, WorldCom supports ALTS suggestion that ILEC performance with regard to data loops be separately measured and reported.²⁴ In essence, the Commission must ensure that the service or product categories are sufficiently disaggregated to ensure that the performance measurements and reports are meaningful.

V. PERFORMANCE MEASUREMENTS

A. Several Additional Measurements are Necessary

In its initial comments in this proceeding, WorldCom noted that while it "prefers the measurements put forward by LCUG, it can support the Commission's proposed

²² AT&T Comments at 26.

²³ MCI Comments at 16.

²⁴ ALTS Comments at 10.

measurements."²⁵ After review of other parties' comments, WorldCom agrees with MCI that several additional measurements are necessary in the Commission's rules. These include: (i) Percent Order Accuracy; (ii) Percent Orders Held Greater than or Equal to 90 Days; (iii) Percent Orders Held Greater than or Equal to 15 Days; (iv) Call Center Abandonment Rate; (v) Percent Invoice Accuracy; (vi) Percent Usage Accuracy; (vii) Network Performance Parity; and (viii) Timeliness of UNE Element Performance.

B. Interconnection Measurements

As WorldCom noted in its original comments, the ability to have an efficient flow of traffic between a new carrier's network and an incumbent LEC's network through interconnection trunks is a fundamental necessity to the success of local competition. Unlike single unbundled network elements -- the failure of which will affect a single customer -- a failure of interconnection trunks (or common trunks) can affect an entire market. Customers of the new entrant may not be able to place or receive calls for extended periods or will receive frequent and frustrating fast busy signals.

In WorldCom's experience, the failure of the ILECs to deliver adequate interconnection facilities has been the among the most persistent difficulties in entering the local market. In the Northeast, lack of adequate interconnection facilities has forced WorldCom to slow sales in Boston and Providence. In California, Pacific Bell only recently

²⁵ WorldCom Comments at 12.

Reply Comments of WorldCom, Inc.
July 6, 1998

provided sufficient interconnection trunking to meet WorldCom's FALL OF 1996 forecasted demand.

WorldCom believes that the ILECs should measure and report the blockage that occurs on interconnection trunks and common trunks as proposed by the Commission. WorldCom believes that the ILECs should additionally be required to report the blockage that occurs on their end office to end office trunks.

SBC and GTE propose to eliminate the measurement and reporting of common trunks arguing that the CLECs and LECs will experience a similar degree of blocking on these circuits.²⁶ However, if these common trunks experience a greater degree of blockage than the ILEC end office to end office trunks, CLEC customers are more likely to be impacted than ILEC customers. One hundred percent of the CLEC traffic to or from ILEC customers may be routed over the common trunks -- blockage on the common trunks, therefore, has the potential to affect one hundred percent of the CLEC's customers. If the ILEC has only twenty percent of its traffic routed over common trunks, blockage on those trunks will affect the ILECs customers proportionally less. The Commission should require the measurement of blockage on common trunks to gauge if there is a disproportional impact on CLECs.

Ameritech proposes that an ILEC "should be given the option of reporting call completion rates, rather than trunk blockage reports" and has discovered that such reports can be developed and generated for a very modest price.²⁷ WorldCom agrees that call

²⁶ SBC Comments at 20, GTE Comments at 10.

²⁷ Ameritech Comments at 69.

completion information will help to provide "a more complete picture of overall network performance"²⁸ but, unlike Ameritech, WorldCom believes that interconnection is so critical that these inexpensive call completion reports should be produced in addition to trunk blockage reports.

VI. OTHER ISSUES

A. Technical Standards

In its initial comments, WorldCom proposed that the Commission should require the ILECs to "implement the ATIS technical standards for OSS interfaces within a time period set by the ATIS committee that developed the change or within six months if no time period is set."²⁹ WorldCom notes that SBC agrees with this approach.³⁰

B. Enforcement Mechanisms

WorldCom concurs with the many CLECs which urged the Commission to adopt enforcement mechanisms to ensure the nondiscriminatory provision of interconnection, UNEs, resale, collocation and OSS by the ILECs.³¹ As stated by CompTel, enforcement is

²⁸ Id.

²⁹ WorldCom Comments at 23.

³⁰ SBC Comments at 32.

³¹ CompTel Comments at 15, LCI Comments at 12, MCI Comments at 23.

Reply Comments of WorldCom, Inc.
July 6, 1998

the most effective and efficient way in which the Commission can spur ILEC compliance with their OSS obligations and all other local competition related requirements . . .³²

VII. CONCLUSION

For the reasons discussed above, WorldCom urges the Commission to adopt performance measurement and reporting requirements to assist competitors and regulators in detecting and reducing discrimination by the ILECs. Such action, along with strong enforcement mechanisms, will will enhance the ability of new entrants to compete in the local marketplace.

July 6, 1998



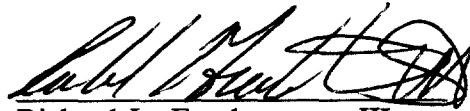
Catherine R. Sloan
Richard L. Fruchterman, III
Richard S. Whitt
WorldCom, Inc.
1120 Connecticut Ave., N.W.
Suite 400
Washington, D.C. 20036
202/776-1550

³² CompTel Comments at 15.

Reply Comments of WorldCom, Inc.
July 6, 1998

CERTIFICATE OF SERVICE

I, Richard L. Fruchterman, III, hereby certify that on this 6th day of March, 1998, true copies of the foregoing "REPLY COMMENTS OF WORLDCOM, INC." were delivered to each of the parties listed below by first class mail unless otherwise indicated.



Richard L. Fruchterman, III

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, D.C. 20554
(hand delivered original and six copies)

Ms. Janice Myles
Common Carrier Bureau
Room 544
1919 M Street, N.W.
Washington, D.C. 20554
(hand delivered with diskette)

Mr. Jake Jennings
Common Carrier Bureau
Room 544
1919 M Street, N.W.
Washington, D.C. 20554
(hand delivered)

International Transcription Service
1231 20th Street, N.W.
Washington, D.C. 20036
(hand delivered)

Robert W. McCausland
Vice-President, Regulatory and Interconnection
1950 Stemmons Freeway, Suite 3026
Dallas, TX 75207

Reply Comments of WorldCom, Inc.
July 6, 1998

Carolyn C. Hill
ALLTEL Corporate Services, Inc.
655 15th Street, N.W.
Suite 220
Washington, D.C. 20005

John T. Lenaham
Larry A. Peck
Ameritech Corporation
30 South Wacker Drive
Chicago, IL 60606

Richard J. Metzger
Emily M. Williams
Association for Local Telecommunications Services
888 17th Street, N.W., Suite 900
Washington, D.C. 20036

Mark C. Rosenblum
Leonard J. Cali
Richard H. Rubin
AT&T
Room 3252I3
295 North Maple Avenue
Basking Ridge, NJ 07920

Leslie A. Vial
Bell Atlantic Telephone Companies
1320 North Court House Road
8th Floor
Arlington, VA 22201

William B. Barfield
Jonathan Banks
BellSouth Corporation
Suite 1800
1155 Peachtree Street, NE
Atlanta, GA 30309-3610

Reply Comments of WorldCom, Inc.
July 6, 1998

Douglas E. Hart
Attorney for Cincinnati Bell Telephone Company
Frost and Jacobs LLP
2500 PNC Center
201 East Fifth Street
Cincinnati, OH 45202

Genevieve Morelli
Executive Vice President and General Counsel
CompTel
1900 M Street, N.W.
Suite 800
Washington, D.C. 20036

Janet S. Britton
Staff Attorney
East Ascension Telephone Company
913 S. Burnside Avenue
Gonzales, LA 70737

Michael J. Shortley, III
Frontier Corporation
180 South Clinton Avenue
Rochester, New York 14646

Emily C. Hewitt
George N. Barclay
Michael J. Ettner
General Services Administration
1800 F Street, N.W., Room 4002
Washington, D.C. 20405

Gail L. Polivy
GTE Service Corporation
1850 M Street, N.W.
Suite 1200
Washington, D.C. 20036

Reply Comments of WorldCom, Inc.
July 6, 1998

David W. Zesiger
Donn T. Wonnell
Independent Telephone & Telecommunications Alliance
1300 Connecticut Avenue, N.W.
Suite 600
Washington, D.C. 20036

Russell M. Blau
Antony Richard Petrilla
Swidler & Berlin, Chartered
3000 K Street, Suite 300
Washington, D.C. 20007

Douglas W. Kinkoph
Vice President, Legislative and Regulatory Affairs
LCI International Telecom Corp.
8180 Greensboro Drive, #800
McLean, VA 22102

Amy G. Zirkle
Lisa R. Youngers
Lisa B. Smith
MCI Telecommunications Corporation
1801 Pennsylvania Avenue, NW
Washington, D.C. 20036

Bartlett F. Leber
Joseph S. Paykel
Mintz, Levin, Cohn, Ferris, Golvsky and Popeo, P.C.
701 Pennsylvania Avenue, N.W.
Suite 900
Washington, D.C. 20004-2608

James R. Hobson
Donelan, Cleary, Wood & Master, P.C.
1100 New York Avenue, N.W. #750
Washington, D.C. 20005-3935

Reply Comments of WorldCom, Inc.
July 6, 1998

Pamela Sowar Fusting
L. Marie Guillory
National Telephone Cooperative Association
2626 Pennsylvania Avenue, N.W.
Washington, D.C. 20037

Robert M. Lynch
Durward D. Dupre
Michael J. Zpevak
William A. Brown
SBC Communications, Inc.
One Bell Plaza, 30th Floor
P.O. Box 655521
Dallas, TX 75202

Leon M. Kestenbaum
Jay C. Keithley
H. Richard Juhnke
1850 M Street, N.W., 11th Floor
Washington, D.C. 20036

Margot Smiley Humphrey
Julie A. Barrie
Koteen & Naftalin, L.L.P.
1150 Connecticut Avenue, N.W.
Suite 1000
Washington, D.C. 20036

Teresa Marrero
Senior Regulatory Counsel -- Federal
Teleport Communications Group, Inc.
Two Teleport Drive
Staten Island, N.Y. 10311

Lawrence E. Sarjeant
Linda Kent
Keith Townsend
1401 H Street, N.W.
Suite 600
Washington, D.C. 20005